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MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT ECONOMIC DEVELOPMENT PROGRAM

2009 APPLICATION GUIDELINES FOR PLANNING GRANTS

MONTANA DEPARTMENT OF COMMERCE

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Website: http://businessresources.mt.gov/BRD_CDBG.asp

TDD: (406) 841-2702, or Montana Relay Service: 711

April 2009

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MONTANA DEPARTMENT OF COMMERCE

COMMUNITY DEVELOPMENT BLOCK GRANT
ECONOMIC DEVELOPMENT PROGRAM

APPLICATION GUIDELINES FOR 2009 PLANNING GRANTS

A. INTRODUCTION

According to local officials, the costs of preparing planning studies often presents a serious obstacle for communities with limited resources. The Community Development Block Grant – Economic Development (CDBG-ED) program is able to play a unique role in assisting Montana communities because of its ability to offer planning grants to local governments. The grants can be used for a variety of planning activities, including the initial planning necessary to develop a CDBG-ED project, prepare an economic development strategy, or similar planning efforts needed to help a community address critical needs.

MDOC has set aside **$210,000** of CDBG-ED funds from the Economic Development category for planning grants to be awarded through the 2009 CDBG-ED Program. Complete applications will be accepted on a first-come, first-serve basis until all CDBG-ED planning grant funds have been committed. Applications will be recorded with date and time received by the Department and reviewed in order of receipt. **Applications considered incomplete or ineligible will be returned to the applicant and their placement on the list of received applications will be removed.**

Applications that are not typed will not be accepted. Acceptance of an application does not imply a commitment for funding from the Montana Department of Commerce (MDOC). Applications will be reviewed for eligibility and appropriateness for expenditure of CDBG-ED program funds and compliance with state, federal and program requirements.

1. Eligible Applicants

CDBG-ED planning grants are available only to eligible general-purpose local governments: counties, incorporated cities and towns, and consolidated city-county governments. Unincorporated areas are not eligible to apply directly to the Department for planning grant assistance; local governments must sponsor applications on behalf of unincorporated areas. Local governments may also apply on behalf of special purpose districts or non-profit organizations, such as a human resource development council or a local economic development organization. Only one application may be submitted by a local government to the CDBG-ED program for planning grant assistance each program year, unless there are exceptional circumstances present that would warrant an additional application for a CDBG-ED planning grant. In general, local governments with a current CDBG-ED planning grant are ineligible to apply for an additional planning grant until their current planning project is completed and the local government has received a closeout status by the Department.

2. Required Contacts

a. All local governments preparing a CDBG-ED planning grant application must contact the region's assigned Regional Development Officer (RDO) prior to submittal of any CDBG-ED application or supporting materials. Please contact the CDBG-ED program for the name of the RDO for your area:

Charlie Wright
Northwest Montana
Email: chwright@montana.com
Phone: (406) 532-3222

Tod Kasten
Eastern Montana
Email: kranches@midrivers.com
Phone: (406) 485-3374

Randy Hanson
North Central Montana
Email: rahanson@mt.gov
Phone: (406) 262-9579

Terry Dimock
Southwest Montana
Email: tdimock@mt.gov
Phone: (406) 841-2737

RDO website: http://businessresources.mt.gov/BRD_RD.asp

b. All local governments must show a coordinated effort with the Certified Regional Development Corporation (CRDC) in their area. A copy of a resolution passed by a CRDC's Board of Directors showing support for the proposed project and application must be included in each application for CDBG-ED assistance. If a local government is not able to provide this, it must include an explanation why one is not included.

Bear Paw Development Corp.
48 Second Avenue, Suite 202
Havre, MT 59501
406.265.9226
http://www.bearpaw.org/

Beartooth RC&D
604 West Front Street
Joliet, MT 59041
406.962.3914
http://www.beartooth.org/

Eastern Plains RC&D
2745 West Holly
Sidney, MT 59270
406.433.2103
http://www.eprcd.org/

Great Northern Development Corp.
233 Cascade Street
Wolf Point, MT 59201
406.653.2590
http://www.gndc.org

Headwaters RC&D
305 W. Mercury, Suite 211
Butte, MT 59701
406.782.7333
http://www.headwatersrcd.org

Lake County Community Development Corp.
407 Main St. S.W.
Ronan, MT 59864
406.676.5901
http://www.lakecountycdc.org/

Missoula Area Economic Development Corporation
1121 East Broadway, Suite 100
Missoula, MT 59802
406.728.3337
http://www.maedc.org

Montana Business Assistance Connection
225 Cruse Avenue
Helena, MT 59601
406.447.1510
http://www.mbac.biz

Northern Rocky Mountain RC&D
502 S. 19th Avenue, Ste 105
Bozeman, MT 59718
406.582.5700
http://www.nrmrcd.org/

Snowy Mountain Development Corp.
613 North East Main
Lewistown, MT 59457
406.535.2591
http://www.snowymtndev.com/pages

Southeastern MT Development Corp.
6200 Main Street
Colstrip, MT 59323
406.748.2990
http://www.semdc.org/

Sweetgrass Development Corp.
4 North Central Avenue
PO Box 1329
Cut Bank, MT 59427
406.873.2828
http://www.sweetgrassdevelopment.org

For more information on CRDC's please see the following website:

http://businessresources.mt.gov/BRD_CRDC.asp

c. A letter from the local government's chief elected official or executive officer sponsoring the request, with original signatures, must be included with the application. Applications submitted without documentation of sponsorship will not be accepted.

3. Eligible Activities

Funds can be used for the preparation of plans, studies, analyses, or research related to economic development such as:

- Preparation of community needs assessments, action plans, or implementation strategies with a focus on economic development;
- Conducting income surveys necessary to complete a CDBG-ED application (should not be the only planning activity proposed in the application)
- Preparation of downtown revitalization studies, redevelopment plans, urban renewal plans, and historic preservation studies. CDBG-ED planning grants can be used as match for architectural design assistance from the School of Architecture at Montana State University;
- Preparation of feasibility studies, preliminary environmental assessments for the purpose of grant applications, or Preliminary Architectural Reports (PAR's) for reuse of underutilized, empty or abandoned buildings, industrial or manufacturing facilities (contact the Department for a PAR outline);
- Preparation of funding applications for economic development projects (should not be the only planning activity proposed in the application);
- Preliminary Engineering Reports (PER), or for related activities normally associated with preliminary engineering such as surveys, studies and data collection in support of an economic development project only (contact the Department for a PER outline).

NOTE: CDBG-ED may pay up to 50% of the cost of any approved study or plan, not exceeding the CDBG-ED award amount. Invoices will be paid up to 50% by CDBG-ED for each request for reimbursement of eligible expenses.

4. Ineligible Activities

The following activities will not be funded with CDBG-ED planning grant funds:

- Normal operating expenses or salaries for a non-profit, for-profit entity, or inter-governmental organization;

- Reimbursement for activities completed prior to submittal of a 2009 CDBG-ED Planning Grant Application, and prior to completion of a 2009 planning grant contract with the MDOC;

- A Comprehensive Economic Development Strategy (CEDS) required for the U.S. Economic Development Administration;

- Activities for housing, community public facilities improvements, and preliminary engineering reports for general water, wastewater, or solid waste. For these activities please contact the following program managers for more information:

Jim Edgcomb, Manager Treasure State Endowment Program	Phone: (406) 841-2785 Email: jedgcomb@mt.gov
Gus Byrom, Manager CDBG Public Facilities and Housing	Phone: (406) 841-2777 Email: gbyrom@mt.gov

5. Maximum Grants and Required Match

For 2009, CDBG-ED planning grants are available in amounts up to $25,000. Local governments must provide a match on a 1:1 basis that must be firmly committed by the time CDBG-ED funds are released. Firm loan commitments, such as funds borrowed from another state or federal program or from a local bank, are acceptable forms of match. Grants or other cash contributions from other local, state, or federal agencies or programs or private foundations are also acceptable forms of match. Funds expended after the date of application can count toward eligible match. The CDBG-ED funds requested and proposed matching funds must be described in the budget form found in **Exhibit I. Grant applicants may no longer substitute "in-kind" services for cash match.**

In documenting a public commitment, the applicant must:

a. Specify the amount and use of the funds committed by the applicant as match.

b. For funds to be provided by an entity other than the applicant, provide a letter of commitment from the agency or organization involved. The commitment of funds may be made contingent on CDBG-ED funds being awarded for the proposed planning project.

The MDOC may reduce or entirely waive the match requirement for good cause in cases where the local government can clearly demonstrate that higher financial participation is not possible. **The local government applying for assistance needs to provide narrative in its application requesting a waiver of the match requirement and reasons for that request. Applicants should not assume that without a formal request for a waiver of match, and without an adequate explanation for the request, the MDOC will automatically waive the match requirement.**

The Director reserves the right to make a final determination of grant award and required match.

B. ADMINISTRATIVE EXPENSES

Applicants may request up to 5% of their total CDBG-ED request for administrative expenses directly related to the planning grant activity. Reimbursement for administrative expenses will require itemized documentation of hours worked, tasks completed, and corresponding dates. No reimbursement will be made for activities completed prior to the date of CDBG-ED funding award. A Montana Department of Commerce contract must be completed and any start-up requirements fulfilled before a request for reimbursement of eligible expenses can be made.

C. CRITERIA FOR CDBG-ED PLANNING GRANT APPLICATIONS

The CDBG-ED Program will use the following five criteria to evaluate planning grant proposals for potential funding.

Criteria

1. Relationship to Community Planning
2. Need for Planning Activity
3. Community Efforts and Financial Need
4. Benefit to Low and Moderate Income
5. First Time Recipient

➔ **Considerations for each of the above criteria are described in the attached application form.**

D. PROCUREMENT OF PROFESSIONAL SERVICES

If the proposed planning project will require consultant services, the applicant needs to demonstrate that it has or will assure **free and open competition** in the procurement of professional services, as applicable, or has a plan to ensure such competition.

All State of Montana and MDOC requirements concerning procurement of professional services will apply. To be eligible for reimbursement - professional architectural, or engineering services must be procured in compliance with Section 18-8-201, MCA. In order to ensure that expenditures will be eligible for reimbursement, contact the CDBG-ED program for guidance BEFORE procuring any professional services or incurring any costs that the local government may later request reimbursement for.

E. APPLICATION PROCESS

The planning grant guidelines and application form are available on the MDOC website at: http://businessresources.mt.gov/BRD_CDBG.asp or obtained by email from: karylt@mt.gov.

Applicants must submit a completed application form with supporting documentation. An original and two copies of the application are required. The original application and one copy of the written proposal for a CDBG-ED planning grant must be submitted to:

Karyl Tobel
CDBG-ED Program
Business Resources Division
Montana Department of Commerce
301 S. Park Ave.
PO Box 200505
Helena, MT 59620-0505
Email: karylt@mt.gov

One copy must be sent to the local government's Regional Development Officer.

Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format, such as large print, Braille, audio tape, or computer diskette, please contact the Montana Department of Commerce Business Resources Division at (406) 841-2733.

2009 PLANNING GRANT APPLICATION FORM
MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT
ECONOMIC DEVELOPMENT PROGRAM
MONTANA DEPARTMENT OF COMMERCE

The Applicant hereby certifies that:

ACCEPTANCE OF CDBG-ED PROGRAM REQUIREMENTS

It will comply with all applicable parts of Title I of the Federal Housing and Community Development Act of 1974, as amended, which have not been cited herein as well as with other applicable federal laws and regulations.

It will comply with all requirements established by the Montana Department of Commerce and applicable State laws, regulations, and administrative procedures.

It accepts the terms, conditions, selection criteria, and procedures established by the Montana Community Development Block Grant - Economic Development (CDBG-ED) Program and expressly waives any statutory or common law right it may have to challenge the legitimacy and propriety of these terms, conditions, criteria, and procedures in the event that it is not selected for an award of CDBG-ED funds.

APPLICANT - CERTIFICATION

To the best of my knowledge and belief, the information provided in this application and in the attached documents is true and correct.

Name_____
(Typed Name)

Title_____
(Chief Elected Official)

Signature_____

Date_____

Name of Local Government Submitting this Application_____

Phone Number_____

Mailing Address of Local Government

_____

_____

Senate District Number_____

House District Number_____

Federal Tax ID # for Local Government_____

Name of Assisted Business (if applicable)_____

Address of Assisted Business_____

DUNS # of Assisted Business_____

Authorization of Release of Information
The Applicant (Local Government) which has ultimate responsibility for submission of this application designates the following party as the authorized contact for additional information and/or documentation regarding this application for CDBG-ED planning grant funding:

Name_____

Title_____

Mailing Address_____

_____

_____

Email Address_____

Phone Number_____

Fax Number_____

Exhibit I (Budget Form):

Amount of CDBG-ED Funds Requested $_____
Fill out exhibit and submit with application

Exhibit II (Implementation Schedule):
Fill out exhibit and submit with application

▹ *Each CDBG-ED Planning Grant applicant is required to submit a detailed description of the proposed project, and detailed response to each of the five criteria. Applicants must attach pertinent supporting documentation, as applicable.*

A. DESCRIPTION OF PROPOSED PLANNING PROJECT

a. Provide a detailed description of the proposed planning project.

B. CRITERIA AND CONSIDERATIONS

Criterion 1. RELATIONSHIP TO COMMUNITY PLANNING

a. Discuss the community's overall planning efforts, and describe what tools the community has used to determine community development goals.

b. Discuss how the proposed planning project is related to the community's planning efforts and economic development goals.

It is a goal of the Montana CDBG-ED Program to assist local governments with the management of community development, growth, and change consistent with the national and state objectives of the CDBG-ED program. A key related element is to assist communities in assessing their overall community development needs, including the needs of low and moderate-income persons, (and to assist local governments in preparing specific plans and activities to meet the identified needs).

Criterion 2. NEED FOR PLANNING ACTIVITY

a. Provide a discussion on the need for the planning activity to be addressed with CDBG-ED planning grant funds, time sensitivity issues, urgency for activity, or other issues that determine the priority of the planning activity over other potential planning activities.

b. If the planning activity is related to a business expansion or retention issue, applicants need to provide discussion on the number of jobs it anticipates would be created or retained as a result of the proposed planning project.

Criterion 3. COMMUNITY EFFORTS AND FINANCIAL NEED

a. Provide a discussion on past efforts to address community development needs with local resources.

b. Describe current efforts to secure assistance from all appropriate local, state, and federal public and private sources potentially available to assist in financing the proposed planning activity.

c. Explain and provide documentation as necessary that demonstrates why the request for a CDBG-ED Planning Grant is necessary and reasonable, relative to the applicant's financial capability.

d. Explain the status of matching funds and dates when funding will be available for the proposed project.

Given the high demand for planning grant assistance and the limited available funding, it is important that each applicant request only the difference between the total cost of a project and the amount of funds that the applicant can reasonably provide. Unless an applicant is determined to be eligible for a waiver of the match requirement, each applicant is expected to contribute a reasonable share of project costs and to request the least amount of CDBG-ED funds necessary to complete the planning project.

Discussion should provide complete information documenting the existence of financial need for the CDBG-ED planning grant funds. Documentation can be provided according to individual community circumstances, but should include specific information such as an overall description of the local government's revenues and budget and specific details describing why the local government (and non-profit agency, organization, or assisted business, if applicable) lacks the financial resources to undertake the planning activities itself, without CDBG-ED assistance. **Providing general statements indicating that a community simply does not have sufficient revenues is not an adequate explanation for the need for CDBG-ED assistance.** In addition, the MDOC will also evaluate the proposed budget and budget narrative to determine if the proposed costs for the planning project are adequately explained and justified, and are reasonable and appropriate.

Criterion 4. BENEFIT TO LOW AND MODERATE-INCOME PERSONS

a. Provide discussion on the degree to which the planning activity has the potential to benefit low and moderate-income (LMI) persons in the long term, such as, the creation of jobs for LMI persons. For additional information regarding LMI benefit, see the CDBG booklet called *Documenting Benefit to Low and Moderate Income Persons*.

Criterion 5. FIRST TIME RECIPIENT

The MDOC will give priority to those local governments or unincorporated communities that have submitted a complete application, proposed a viable project, and have never applied for and/or received CDBG-ED funding in the past.

C. APPICATION CHECKLIST *(please review and check for a complete application)*:

1. Is the application submitted by a local government?
   _____Yes _____No
   (For a description of eligible applicants, see these guidelines A.1.)

2. Is the proposed planning activity an eligible activity as described under these guidelines?
   _____Yes _____No

(For a description of eligible activities, see these guidelines A.3.)

3. Is the application submitted on behalf of a non-profit entity, inter-governmental organization, or unincorporated area?
_____Yes _____No

4. Is there a letter from the local government stating sponsorship and support for the proposal included in the application?
_____Yes _____No

5. Are there letters of commitment for project funding to be provided by the local government, non-profit, or other inter-governmental organization included in the application?
_____Yes _____No

6. If other funds are not proposed to meet the matching funds requirement, has local government provided a formal request for a waiver of the match requirement in the application?
_____Yes _____No

7. Is there a detailed description of the activity proposed for the application?
_____Yes _____No

8. Is there detailed narrative that responds to each of the five criteria as defined in these guidelines?
_____Yes _____No

9. Is the project budget form (Exhibit I) filled out with narrative explaining each line item?
_____Yes _____No

10. Is the implementation schedule (Exhibit II) filled out and modified to fit the project?
_____Yes _____No

11. Is there supporting documentation showing local support, public outreach, or other pertinent information to support what is stated in the application?
_____Yes _____No

EXHIBIT I

CDBG-ED PLANNING GRANT
PROJECT BUDGET

Budget for CDBG-ED Planning Grants			Date:	
	SOURCE: *CDBG-ED*	SOURCE: *Match (Identify)*	SOURCE:	TOTAL
Professional Services				
Other				
TOTAL PLANNING PROJECT	$	$	$	$

➔ Note: The budget must be accompanied by a narrative that describes the CDBG-ED funds requested and local matching funds to be supplied by the applicant of local, state, federal, or private funds involved. The budget justification must thoroughly explain the rational or basis for all proposed budget costs, by line item.

EXHIBIT II

CDBG-ED PLANNING GRANT
PROJECT IMPLEMENTATION SCHEDULE

TASK	MONTH, YEAR
PROJECT START UP	
Preparation of MDOC Contract	
PROCUREMENT OF PROFESSIONAL ASSISTANCE [1]	
Submit Request for Proposals (RFP) to MDOC for approval, if required [2]	
Publish RFP	
Select professional	
Execute agreement with professional	
PROJECT IMPLEMENTATION	
Prepare draft plan/report	
Submit interim drawdown of funds	
Public review and comment	
Finalize plan/report	
PROJECT CLOSEOUT	
Submit final deliverable	
Submit final drawdown	

[1] Including professional engineers, architects, and community development consultants, etc
[2] Architectural and engineering services must be procured in compliance with Section 18-8-201, MCA